WEEKLY ECONOMIC REVIEW

August 15, 2008

In July, housing starts in Alberta jumped 22.9% from June to an annualized rate of 29,000 units, but still dropped 35.4% on a year-over-year basis. Most of the decrease was due to the slowdown in the single-detached market, with starts down 51.6% year-to-date. Multiple-family starts in Alberta were up 7.6% year-to-date, although the increase was due entirely to the exceptional growth (+84.2%) in Calgary. Nationally, total housing starts decreased 15.8% from July 2007.

New housing prices in Alberta grew at their slowest pace in over a decade in June, up by 0.6% compared to a year earlier. Price growth in Edmonton and Calgary slowed to 1.6% and 0.1%, respectively. Nationwide, growth in new housing prices also weakened to 3.5% year-over-year. This was the slowest rate of growth since March 2002. Regina had the hottest housing market with its prices up 28.5% from June 2007.

After a strong performance in the previous two months, the monthly growth in Alberta's manufacturing shipments moderated to 3.3% in June. Half of the 14 industries (with data available) reported monthly gains, led by chemical (10.7%). Total shipments were up 2.7% year-to-date. Canadian manufacturing shipments rose 2.1% from the previous month, but are still down 3.1% year-to-date.

↑	**Cdn Dollar (US¢/C$)**	
	August 15, 2008	94.3
	August 8, 2008	93.7
	2008-09 YTD	98.5
↓	**WTI Oil US$/bbl**	
	August 14, 2008	$ 115.01
	August 7, 2008	$ 120.02
	2008-09 YTD	$ 125.39
↓	**Nymex Natural Gas CS/MMBtu ***	
	August Contract	
	August 15, 2008	$ 8.46
	August 8, 2008	$ 8.79

*Estimate based on Nymex Futures Market Price

Sales of new vehicle in Alberta edged up 0.9% from May. However, for the first half of 2008, sales were down 3.6%. Nationally, sales dropped 1.0% from May.

Canada's trade surplus increased to $5.8 billion in June from $5.2 billion in May, as the trade surplus with the U.S. increased to $9.6 billion. The energy sector continued to be the major contributor to the surplus.

Fueled by higher energy and food prices, the U.S. CPI inflation rate jumped to 5.6% in July. This was the highest since January 1991. Core inflation rose to 2.5%.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month(Y/Y)	Year-to-date[1]
Housing Starts (units) [2,3]	**July**			
Alberta	29,000	22.9%	-35.4%	-28.9%
Canada	186,500	-13.6%	-15.8%	-2.0%
New Housing Price Index	**June**			
Alberta	246.9	-0.4%	0.6%	5.9%
Canada	158.5	0.1%	3.5%	5.3%
Manufacturing Shipments (in millions) [2]	**June**			
Alberta	6,334	3.3%	13.2%	2.7%
Canada	52,492	2.1%	2.3%	-3.1%
New Motor Vehicle Sales (units) [2]	**June**			
Alberta	20,582	0.9%	-6.3%	-3.6%
Canada	143,270	-1.0%	-0.4%	3.5%

Source: Statistics Canada. [1]Year-to-date compared to the same period in the previous year. [2] Seasonally adjusted. [3] Annualized rate.